



January 22, 2006

Mr. Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Application of Progress Energy Carolinas, Inc. and Lynches River Electric
Cooperative, Inc. to Establish Electric Service Rights
Docket No. 2007-____-E

Dear Mr. Terreni:

Attached for filing are an original and one copy of the Application of Progress Energy Carolinas, Inc.'s and Lynches River Electric Cooperative, Inc. to Establish Service Rights.

Yours very truly,

/s/

Len S. Anthony
Deputy General Counsel-Regulatory Affairs

LSA:mhm

c: Mr. John Flitter

243252

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-____-E
January 23, 2007

In the Matter of)	APPLICATION OF PROGRESS
)	ENERGY CAROLINAS, INC. AND
Application of Progress Energy Carolinas,)	LYNCHEs RIVER ELECTRIC
Inc. and Lynches River Electric)	COOPERATIVE, INC. TO ESTABLISH
Cooperative, Inc. to Establish Electric)	ELECTRIC SERVICE RIGHTS
Service Rights		

Pursuant to S.C. Code Ann. § 58-27-650 and Regulation 103-830, 103-831, and 103-834 of the Rules and Regulations of the Public Service Commission of South Carolina ("the Commission"), Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC") and Lynches River Electric Cooperative, Inc. ("Lynches River") apply to the Commission for approval of a territorial agreement establishing the respective service rights of PEC and Lynches River in Chesterfield County, South Carolina. In support thereof, PEC and Lynches River show the following:

1. PEC is an electric utility organized, existing and operating under the laws of the State of North Carolina, authorized to do business in South Carolina, for the purposes of generating, transmitting, distributing and selling electric power in its assigned service territories in North and South Carolina. PEC's principal office is located at 410 South Wilmington Street, Post Office Box 1551, Raleigh, North Carolina 27602.

2. The attorney for PEC to whom all communications should be addressed is:

Len S. Anthony
Deputy General Counsel
P.O. Box 1551
Raleigh, NC 27602
Telephone: (919) 546-6367
Fax: (919) 546-2694

3. Lynches River is an electric cooperative organized, existing and operating under the laws of the state of South Carolina for the purposes of transmitting, distributing and selling electric power and its assigned service territory is in South Carolina. Its principal office is located in Pageland, South Carolina.

4. The attorney for Lynches River to whom all communication should be addressed is:

J. David Black
Nexsen Pruet, LLC
1441 Main St., Suite 1500
Columbia, South Carolina 29201
Telephone: (803) 540-2072
Fax: (803) 253-8277

5. Both PEC and Lynches River have been granted assigned territories by the Commission to provide service in Chesterfield County, South Carolina. A certain portion of the territory assigned to PEC in Chesterfield County is completely surrounded by territory assigned to Lynches River. The northern boundary of the territory in question is the center line of Lenson Mangum Road and is approximately 2380 feet long. The eastern boundary is the existing territorial line between PEC and Lynches River and is approximately 9500 feet long. The western boundary is the existing territorial line between PEC and Lynches River and is approximately 10,030 feet long. The southern boundary is parallel to and 600 feet north of the center line of Will Evans Road and is approximately 4225 feet long. PEC has no existing

customers in this area. A map depicting the area in question is attached to this Application and identified as Attachment A.

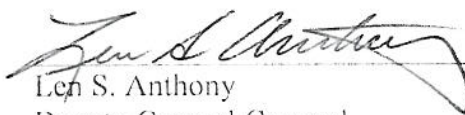
6. In order to: provide service to this area as economically and efficiently as possible; and minimize the duplication of facilities installed to serve new premises in this area, Lynch River and PEC have determined and agreed that it would be prudent for this area to be re-assigned to Lynch River. PEC and Lynch River believe reassignment of this area to Lynch River is both the most efficient and practical manner for providing service to new premises and is in the public interest. Therefore, PEC and Lynch River apply to the Commission to reassign the area described above, and as shown on Attachment A, to Lynch River.

7. Lynch River can provide adequate and dependable electric service to the area shown in Attachment A.

WHEREFORE, PEC and Lynch River request the Commission to reassign the area described above, and as shown on Attachment A, to Lynch River.

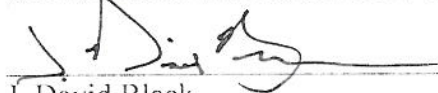
Respectfully submitted this 23th day of January, 2007.

PROGRESS ENERGY CAROLINAS, INC.



Len S. Anthony
Deputy General Counsel
P.O. Box 1551
Raleigh, NC 27602

LYNCHES RIVER ELECTRIC COOPERATIVE, INC.



J. David Black
Nexsen Pruet, LLC
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